

TENNESSEE REGULATORY AUTHORITY



Ron Jones, Chairman
Deborah Taylor Tate, Director
Pat Miller, Director
Sara Kyle, Director

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

July 12, 2005

Mr. Donald L. Scholes, Counsel
Branstetter, Kilgore, Stranch, & Jennings
227 Second Avenue, North, Fourth Floor
Nashville, TN 37201-1631

RE: Docket 05-00173: Petition of Lynwood Utility Corporation for Approval of and Authority to Borrow Up to \$1,000,000 to Repay Short Term Indebtedness Pursuant T.C.A. 65-4-109

Dear Mr. Scholes:

In order to fully analyze the above-referenced petition, the Tennessee Regulatory Authority (TRA) requires additional information. Please provide the information requested below by July 22, 2005, and refer to this correspondence as Data Request No. 1 in the response.

1. Per the Promissory Note and/or Line of Credit in Exhibit 5 of the Petition filed with the Authority on June 28, 2005, provide documentation showing how much of the \$1,250,000.00 Note and/or line of credit has been used to date by Lynwood, how much principal had been paid to Tenn. Contractors, Inc., how much interest has been paid to Tenn. Contractors, Inc., and the unpaid balances on the principal and interest as of June 30, 2005.
2. Does Lynwood maintain an escrow, or any other account to appropriate funds for systems repairs or operations in the event of an emergency?
3. If Lynwood does not have an escrow, or other account, explain how the company would fund system repairs or operations in the event of an emergency?
4. Confirm that Lynwood will continue to operate and/or provide service under its current name and CCN issued by the Authority, and its business licenses as filed with the Tennessee Secretary of State's Office.
5. Verify all current CCNs issued with the Authority, and provide copies of all current business licenses of Lynwood Utility Corporation filed with the Tennessee Secretary of State's Office.

If you have any questions, or need further assistance, please call Carlos Black at 615-741-2904, ext. 196 or e-mail him at Carlos.Black@state.tn.us. Please respond by sending the original and 13 copies to:

Ms. Sharla Dillon, Docket Room Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Sincerely,

A handwritten signature in cursive script that reads "Aster Adams".

Aster Adams, Chief
Competitive Markets & Policy Division

c: Ms. Sharla Dillon, Docket Room Manager